



TAX COLLECTION POLICY

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PURPOSE

The Town of Torbay shall utilize all methods at its disposal to ensure the effective collection of outstanding taxes receivable. Collection procedures will commence on all accounts that are outstanding beyond thirty (30) days. Collection activities will be carried out in a fair but firm manner and in accordance with this policy.

This policy applies to the collection of all outstanding accounts including residential, commercial, and multi-residential.

The purpose of this policy is to establish a policy and procedure for the Town of Torbay on the collection of outstanding taxes.

PROCEDURE

The Town of Torbay will commence collection procedures on all tax receivable accounts that are outstanding beyond thirty (30) days. The following procedure will be followed:

1. Collection Letters and Phone Calls

In addition to quarterly statements, the Accounts Receivable Administrator will attempt to establish contact with the debtor by sending three collection letters requesting the debtor to make payment or contact the Accounts Receivable Administrator to make payment arrangements. These letters will be sent to the debtor's last known mailing address in the following intervals:

- 1st Collection Letter: 10 days after due date
- 2nd Collection Letter: after an additional 10 days
- 3rd Collection Letter: after an additional 7 days

If this process does not result in contact with the taxpayer, the Accounts Receivable Administrator will then try to contact the taxpayer by phone or email.

2. Service Disconnection, Rental Seizure and Small Claims

If contact has not been made or payment arrangements have not been satisfactorily maintained, the Accounts Receivable Administrator in consultation with the Director of Corporate Services, may initiate water disconnection, rental seizure and / or small claims. In extenuating circumstances where these actions are not effective, tax sale of the property will be considered for property tax arrears only. The Accounts Receivable Administrator in consultation with the Director of Corporate Services will decide the appropriate course of action on a case-by-case basis.

a) Water Disconnection

The water disconnection process will commence with a water shut off notice being hand delivered to the civic address. The taxpayer is then given until 4 p.m. of the next business day to contact the Accounts Receivable Administrator to establish payment arrangements. If no contact is received within forty-eight (48) hours, the Accounts Receivable Administrator will instruct the water and sewer division to mark the property for water shut-off with a large "X" where the curb stop is located. After twenty-four (24) hours of marking or when water and sewer crew members are available, the water and sewer division will dispatch a crew to the property to disconnect the water service.

b) Rental Seizure

If the subject property is known to be a rental property with a tenant, then a rental seizure process will be initiated. First, a rental seizure letter will be sent to the landlord notifying that if no payment arrangement is made then a rental seizure will commence. If after ten (10) business days, there is no response made by the landlord, the rental seizure letter with a copy of the applicable section of the *Municipalities Act, 1999* will be sent to the tenant and a copy to the landlord. The rental seizure will remain in effect until the outstanding tax balance is paid and notice of termination of the rental seizure is provided to both the tenant and the landlord.

c) Small Claims

Small claims collection process may be initiated for amounts up to \$25,000 plus the cost of small claims fees. Any tax sale will be in accordance with Section 137 of the *Municipalities Act, 1999*.

3. Collection Agency

Other receivables greater than \$250 may be sent to a collection agency under special circumstances as determined by the Accounts Receivable Administrator in consultation with the Director of Corporate Services. This applies only to miscellaneous receivables. Property and Business taxes are to be collected internally and will not be sent to a 3rd party collections agency.